

PUEBLO OF LAGUNA

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Confidential Claim Retracted

AUTHORIZED BY: SE

DATE: 5/16/13

March 6, 1985

Mr. John Fritz
Acting Assistant Secretary for
Indian Affairs
Department of the Interior
1951 Constitution Avenue, N.W.
Washington, D.C. 20240

Attention: Sidney Mills

Dear Mr. Fritz:

Thank you for taking time to meet with me and other representatives of the Pueblo of Laguna. I would like to restate the issues discussed with you and your staff. They were presented as follows:

1. JACKPILE/PAGUATE RECLAMATION PROJECT - While the Draft Environmental Impact Statement will be issued during the course of this week, March 4th, 1985, two issues need more attention than has been provided by the Department under the guise of the EIS Process. The two issues are: (1) the structural and cosmetic damages to the homes in the Village of Paguate as a result of seismic vibrations and mine dewatering resulting in differential settling; and (2) the groundwater recovery level in the three open pits.
- Damages to Homes & Structures in the Village of Paguate. The Bureau of Mines reviewed a "blast damage" study prepared by Anaconda Minerals Company's consultant, Mr. Louis Oriard and concurred with the findings with the proviso that a combination of environmental factors other than blasting could have damaged the homes and structures in Paguate. The EIS Task Force leader has encouraged the Pueblo to seek the financial assistance of the BIA in pursuing to two technical arguments referred to above. In 1984, Mr. Mackie Murphy of the BIA/Albuquerque Area Office demonstrated to the village residents that mine dewatering in combination with other factors could have caused differential settling of the rock and aggregate material underlying the village. Further, a seismic vibrations specialist, Mr.

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Ken King, from the USGS Office of Volcanoes and Engineering has indicated to the BIA and Pueblo that seismic vibrations could have caused damage to the homes and structures given the materials used in construction, i.e., rock, adobe and mortar. Given all of the above, the Pueblo requested \$100,000 in order to pursue the suggestions of various agencies within the Department on this particular reclamation issue.

- Groundwater Recovery Level - While the EIS Task Force, in particular, the Bureau of Land Management, has chosen to stipulate to the groundwater modeling study prepared by Dames & Moore with an extended monitoring period post reclamation, the Pueblo cannot agree without the Department's verification of the results of the Dames & Moore study. While the USGS/Water Resources Division undertook a sixty (60) day evaluation of the Dames & Moore study, it could not verify the conclusions. The Department, therefore, remains without any conclusions of its own. Further study of this issue will enhance the Department's trust function as well as the Pueblo's bargaining position. The Pueblo requests that conclusions reached in the Dames & Moore study be verified by the Department, and that the BIA take the lead role in resolving this issue as the primary agency charged with the management of the Pueblo's natural resources.

Finally, the legal issue of the Pueblo's and Department's contingent liability were discussed with respect to a negotiated settlement between Laguna and Anaconda. As you may know, Anaconda extended a cash settlement offer to Laguna in 1983 which was withdrawn in 1984. The Pueblo would like to initiate a dialogue with Anaconda in the near future, but a concern was raised last year with regard to the existence of any legal impediments to the Secretary's approval of such a settlement agreement. Ms. Kelly assured us that none existed, but the Pueblo should, nevertheless, expect the imposition of certain standards for the reclamation effort.

2. BUREAU OF MINES URANIUM POTENTIAL STUDY - The Pueblo requests that at least a portion of the \$180,000 currently targeted for a study of the uranium potential on Laguna lands be redirected to the Pueblo's evaluation of a gypsum mining proposal received from CENTEX Corporation. Market forecasts do not indicate a positive environment for uranium exploration and development in the near future, whereas, the Pueblo has been presented with what appears to be a potentially viable gypsum mining proposal. This follows, exactly, a scenario presented by the BIA in a 1976 Mineral Assessment report

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("Status of Mineral Resource Information for the Laguna Indian Reservation, New Mexico, Administrative Report, BIA-14, 1976", pp. 30-32) in which the gypsum deposits on Laguna were identified and discussed.

In conclusion, our first preference in dealing with the Reclamation project is to deal directly with the Albuquerque Area Office; however, the Area Office does not seem to be able to respond to our requests without first checking with Central Office. On the other hand, the Bureau of Land Management, as co-lead on the Environmental Impact Statement, has been responsive at the local level. I believe it would be in the best interests of the Bureau of Indian Affairs to take the lead role in dealing with this major environmental concern. It appears that CENTEX will want to move fast and the Pueblo must be prepared to move with them. We must develop exploration and development plans very quickly if we are to take advantage of this opportunity. Specifically, we need to investigate the following issues as soon as possible:

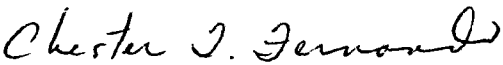
- Terms of the prospecting permit,
- Royalty and Rental Rates;
- Laguna employment opportunities;
- Long-term impacts of mining operations;
- Mine reclamation requirements;
- Volume and source of water requirements;
- Optimum location for processing plant siting;
- Work health and safety; and
- Control of dust generated during processing activities.

We estimate that it will cost the Pueblo approximately \$33,500 in order to obtain expert advice on these items.

Please thank your staff for making time to meet with our delegation. I look forward to your response.

Sincerely,

PUEBLO OF LAGUNA


Chester T. Fernando
Governor